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FY2017 budget proposal a 'mixed bag'
Council lauds parts of President's retirement agenda, criticizes so-called 'Cadillac Tax' fix

WASHINGTON, DC – “President Obama’s latest budget proposal is a mixed bag for employers who sponsor health and retirement benefits for their workers,” said American Benefits Council President James A. Klein today.

“On one hand, we are encouraged that the president has embraced the ‘open multiple employer plan (MEP)’ concept we endorsed as part of our public policy strategic plan, [A 2020 Vision](#). The administration’s support of this proposal – which would help small employers band together to sponsor a retirement plan – underscores the value that employer-sponsored retirement plans regularly provide,” Klein said.

“On the other hand, other elements of the Council’s retirement agenda are troubling for these same employers. We continue to have strong concerns about the president’s encouragement of state-based retirement programs, which have the potential to disrupt existing employer plans, and his repeated proposals to give the Pension Benefit Guaranty Corporation unilateral control over premium levels,” Klein said.

With regard to health care, the Council and the [Alliance to Fight the 40](#) have quickly dismissed the budget’s “Cadillac Tax” adjustment as insufficient and irrelevant.

“Obviously, President Obama recognizes that the tax is flawed. But its flaws go far beyond geographic disparities,” Klein said. “This is a tax that also unfairly targets women, families and the chronically ill, as well as participants in wellness programs and flexible spending accounts, and will affect a growing number of workers over time. The only way to fix this tax is to repeal it entirely.”

For more information on the 2017 budget proposal and its effect on employer-sponsored benefit plans, or to arrange an interview with Klein, please contact Jason Hammersla, Council senior director of communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (mobile).

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The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.